



March 23, 2009

The Honorable Bill Lockyer, Treasurer
State of California
915 Capitol Mall, Suite 110
Sacramento, CA 95814

Mike Genest, Director
California Department of Finance
State Capitol
Sacramento, CA 95814

RE: SB 3x 16 (Ducheny) Determination of Sufficiency of Federal Stimulus Funds

The California State University Employees Union (CSUEU) represents 16,000 support staff of the California State University. This letter outlines CSUEU's calculation of federal funds that might be available to offset General Fund expenditures in FY 2008 and FY 2009.

CSUEU has reviewed the estimates provided at the March 17, 2009 hearing and offers these comments and questions as you deliberate over whether there are sufficient federal funds to avoid pulling the budget "trigger."

1. First and foremost, on February 20, 2009, when Governor Schwarzenegger signed the state budget bill, he reduced the UC and CSU budgets by a total of \$510 million.¹ In the Governor's veto message, he stated that these unallocated reductions would be offset by federal stimulus dollars. Why, then, isn't this \$510 million general fund offset part of the \$10 billion threshold needed to avert the trigger cuts?
2. According to the analysis prepared by the Department of Finance (DOF) for the March 17, 2009 hearing, \$1 billion is expected for health-related prevention programs.² Can any of this money be used to offset prevention programs in CSU's student health centers? What about prevention programs funded by the State Department of Public Health?
3. According to the DOF analysis, \$500 million is expected for health professional workforce shortages.³ The Bureau of Registered Nursing, EDD, and the Center for California Health Workforce Studies at UC San Francisco all predict significant shortages of nurses.⁴ Since 64% of all nursing degrees are awarded by the CSU, can these funds be used to offset the GF allocation to the CSU for nursing programs? The FY 2005 CSU budget contained \$2.3 million to increase CSU entry-level Master's nursing programs by 410 FTEs. In FY 2006, CSU received \$2.3 million for Masters of Science in Nursing (MSN) enrollment (443 FTEs). In FY 2007, the CSU received \$3.6 million for Bachelor of Science in Nursing (BSN) enrollment (340 FTEs).

1. Item 6440-001-0001 (for support of University of California) was reduced from \$2,896,355,000 to \$2,641,355,000, and item 6610-001-0001 (for support of California State University) was reduced from \$2,793,502,000 to \$2,538,502,000.

2. Prevention and Wellness Fund, item #8.

3. Healthcare Workforce Development, item #22.

4. Center for California Health Workforce Studies, UCSF, report dated August 22, 2006.

4. According to the DOF analysis, \$100 million is anticipated for teacher prep and recruitment.⁵ Can any of these funds offset CSU teacher preparation? The FY 2007 CSU budget provided \$2.7 million to expand the CSU Math/Science Teacher Recruitment Initiative.
5. According to the DOF analysis, \$1 billion is expected for university research facilities.⁶ Could any of this money be used to offset GF expenditures at UC or CSU?
6. According to the DOF analysis, \$255 million is targeted for quality improvement of child care programs.⁷ Could any of these funds be used to offset costs at CSU child care centers? What about state child care centers?
7. According to the DOF analysis, 81.8% of the State Fiscal Stabilization Fund must be used for K-12, HIED, and early childhood development.⁸ Can any of these funds be used to offset CSU costs associated with teaching early childhood education?
8. According to the DOF analysis, work-study funds must be matched with 25% non-federal funds.⁹ Can any of these funds offset CSU costs?
9. According to the DOF analysis, \$2 billion is anticipated for the construction and modernization of federally qualified health centers.¹⁰ Could any of this money offset costs for university health centers (CSU-UC-CCC)?

CSUEU urges the State Treasurer and the State Department of Finance to determine that sufficient federal dollars are expected to avoid cutting programs that are critical to the CSU to maintain access and affordability to its students, as well as to avoid cutting critical health and social service programs.

Sincerely yours,



Patrick Gantt

President, CSU Employees Union

cc: John Decker, Executive Director, California Debt and Investment Advisory Commission
 Ana Matosantos, Chief Deputy, Department of Finance
 Chancellor Charles Reed

5. Teacher Quality Enhancement, item #45.
 6. NIH, item #23.
 7. Child Care and Development Block Grant, item #25.
 8. State Fiscal Stabilization Fund, State Allocations, item #51.
 9. Title IV, part C (Higher Education Act) Work-Study, item #57
 10. Community Health Centers, item #91.